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**Memorandum  
Police Department**

**TO:** Mayor and Council

**FROM:** Brenda Buren, Assistant Police Chief (ext. 8991)

**DATE:** September 23, 2008

**SUBJECT: Pawn Transaction Report Fee**

At the October 2, 2008 Issue Review Session, Mary Anders and I would like to provide proposed Pawn Transaction Fee options for the Council's consideration.

Currently, the Tempe City Code requires that those engaged in an auction house, scrap dealer, pawnbroker or secondhand dealer business provide a report of transactions within 24 hours of the receipt of property to the Tempe Police Department<sup>1</sup>. The Police Department has been absorbing costs associated with tracking and investigating pawn transactions which include providing and processing pawn transaction reports free of charge.

As is evidenced in the chart, numerous Arizona agencies already have a pawn transaction fee in place. Additionally, other local agencies, including Mesa and Chandler, are also considering implementing \$3.00 pawn transaction fees. Given this, the Police Department is proposing the implementation of a \$3.00 fee for pawn transaction reports filed with the Tempe Police Department.

**AZ Pawn Transaction Fees**

City	Fee
Phoenix	\$3.00
Peoria	\$3.00
Kingman	\$3.00
Flagstaff	\$2.00
Bullhead City	\$1.00

The following options are provided for the Council's consideration:

Option 1:

Implement a \$3.00 fee for pawn transaction reports for all businesses currently required to file pawn transaction reports to the Tempe Police Department under the Tempe City Code. This would generate approximately \$99,000 in annual revenue. Staff recommends this option.

Option 2:

Implement a \$3.00 fee for pawn transaction reports for only pawnbrokers currently required to file pawn transaction reports to the Tempe Police Department under the Tempe City Code. Since pawnbrokers constitute 94% of submitted pawn transaction reports, this would generate approximately \$93,000 in annual revenue.

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<sup>1</sup> For exceptions please see Section 16A of the Tempe City code.